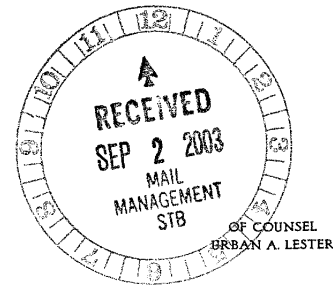


ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

September 2, 2003

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
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(202) 393-2266
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RECORDATION NO. 24542-D FILED

SEP 02 '03

12-44 PM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Loan and Security Agreement (VTA-2003-K1), dated as of August 28, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Head Lease Agreement (VTA-2003-K1) which is being filed with the Board under Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Trust: VTA Rail Statutory Trust VTA-2003-K1
c/o U.S. Bank, N.A.
550 South Hope Street
5TH Floor
Los Angeles, CA 90071

Lender: AIG-FP Funding (Cayman) Limited
c/o Maples & Calder
P.O. Box 309
Ugland House
South Church Street
Grand Cayman, Cayman Islands
British West Indies

Mr. Vernon A. Williams
September 2, 2003
Page Two

A description of the railroad equipment covered by the enclosed document is:

26 light rail vehicles bearing SCVTA reporting marks and road numbers 901 -926.

A short summary of the document to appear in the index is:

Memorandum of Loan and Security Agreement (VTA-2003-K1).

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/anr
Enclosures

MEMORANDUM OF LOAN AND SECURITY AGREEMENT (VTA-2003-K1)

Memorandum of Loan and Security Agreement (VTA-2003-K1), made and entered into on August 28, 2003 by and between **VTA RAIL STATUTORY TRUST VTA-2003-K1**, a Connecticut statutory trust ("**Trust**") and **AIG-FP FUNDING (CAYMAN) LIMITED**, as Lender ("**Lender**").

WITNESSETH:

The undersigned have entered into that certain Loan and Security Agreement (VTA-2003-K1), dated as of August 28, 2003, whereby in consideration of a loan made under said agreement, the Trust has granted to the Lender a first priority security interest in the Collateral as defined in such agreement, including without limitation, the Trust's interest in certain railroad equipment bearing car numbers as listed on Exhibit A attached hereto.

Remainder of page intentionally left blank

RECORDATION NO. 24542-D FILED

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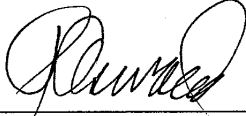
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SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Loan and Security Agreement to be duly executed by their respective officers thereunto duly authorized, as of the date first above written.

VTA RAIL STATUTORY TRUST
VTA-2003-K1

By U.S. Bank National Association, not in its individual capacity, but solely as Trustee under the Trust Agreement


By: 
Name: Paula Oswald
Title: Vice President

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On August 25, 2003, before me, Merla S. Tomas the undersigned notary public in and for said County and State, personally appeared Paula Oswald, personally known to me ~~or proved to me on the basis of satisfactory evidence~~ to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity(ies) and that, by her signature(s) on the instrument, the person(s) or the entity(ies) upon behalf of which the person(s) acted executed the instrument.

WITNESS my hand and official seal.


My commission expires on October 4, 2003



AIG-FP FUNDING (CAYMAN) LIMITED,
as Lender

By: 
Name: COLUM CARR
Title: AUTHORIZED SIGNATORY

ACKNOWLEDGEMENT

STATE OF CONNECTICUT)
) ss.
COUNTY OF FAIRFIELD)

On August 20, 2003, before me, Heather R. Chappa, personally came Colum Carr, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.



Notary Public

My commission expires on _____, 20__

HEATHER R. CHAPPA
NOTARY PUBLIC
MY COMMISSION EXPIRES AUG. 31, 2007

Exhibit A

DESCRIPTION OF EQUIPMENT; EQUIPMENT VALUES

Description	Serial Number	Equipment Value
Kinki Sharyo Light Rail Vehicle	901	\$4,400,000
Kinki Sharyo Light Rail Vehicle	902	\$4,400,000
Kinki Sharyo Light Rail Vehicle	903	\$4,400,000
Kinki Sharyo Light Rail Vehicle	904	\$4,400,000
Kinki Sharyo Light Rail Vehicle	905	\$4,400,000
Kinki Sharyo Light Rail Vehicle	906	\$4,400,000
Kinki Sharyo Light Rail Vehicle	907	\$4,400,000
Kinki Sharyo Light Rail Vehicle	908	\$4,400,000
Kinki Sharyo Light Rail Vehicle	909	\$4,400,000
Kinki Sharyo Light Rail Vehicle	910	\$4,400,000
Kinki Sharyo Light Rail Vehicle	911	\$4,400,000
Kinki Sharyo Light Rail Vehicle	912	\$4,400,000
Kinki Sharyo Light Rail Vehicle	913	\$4,400,000
Kinki Sharyo Light Rail Vehicle	914	\$4,400,000
Kinki Sharyo Light Rail Vehicle	915	\$4,400,000
Kinki Sharyo Light Rail Vehicle	916	\$4,400,000
Kinki Sharyo Light Rail Vehicle	917	\$4,400,000
Kinki Sharyo Light Rail Vehicle	918	\$4,400,000
Kinki Sharyo Light Rail Vehicle	919	\$4,400,000

Kinki Sharyo Light Rail Vehicle	920	\$4,400,000
Kinki Sharyo Light Rail Vehicle	921	\$4,400,000
Kinki Sharyo Light Rail Vehicle	922	\$4,400,000
Kinki Sharyo Light Rail Vehicle	923	\$4,400,000
Kinki Sharyo Light Rail Vehicle	925	\$4,400,000
Kinki Sharyo Light Rail Vehicle	926	\$4,400,000